

Proposed 2007 Session Legislation

Agency Name: Agency No:

Priority Number: Filename:

Short Title:

Agency Contact Person/Phone:

1. Purpose:
 The proposed legislation will afford greater protection to Montana consumers who borrow from payday lenders. The Montana Deferred Deposit Loan Act, Section 31-1-701, MCA will be amended. The legislation will provide authority to the department to investigate violations of law, issue cease and desist orders and levy civil money penalties against licensees who fail to abide by the law. The bill will also authorize restitution to consumers and the recovery of the cost of any enforcement action by the department. The bill will authorize the division to examine the lender at the department's discretion.

2. Background:
 The Montana Deferred Deposit Act was originally enacted in 1999. The original bill did not grant the Division the same authority to investigate violations of the law or to issue cease and desist orders as the Division has under the other statutes.

3. Fiscal Impact by Fund Type: *This impact should be as specific as possible.*
 The Division will be able to recover the costs of enforcement actions in order to offset the costs of those proceedings. Civil money penalties will be deposited into the general fund. A special revenue program will be established to deposit license application, renewal and examination fees with the department.

4. Summary Checklist [Check & complete all that apply]--

Housekeeping Only
 Federal Requirement
 Audit Recommendation (Audit No.)
 Major Legislation

Anticipated to be Controversial Legislation
 Bill Draft has been included in Legislation Submittal (if available)

Supports Submitted EPP Item Number:
 Local Government Fiscal Impact

Increases FTE, or
 Decreases FTE by

List FTE amount and program

Increases Existing Revenue
 Tax
 Fee
 Penalty [amount in #3]

Decreases Existing Revenue
 Tax
 Fee
 Penalty [amount in #3]

Establishes New Revenue
 Tax
 Fee
 Penalty [amount in #3]

Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):

Legislation would affect other state agencies (list):

Special Interest Groups Affected (list):
 Montana Deferred Deposit Lenders

Other: